GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:517
ANSWERED ON:23.02.2001
EXPORT OF SUGAR
KINJARAPU YERRANNAIDU

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the agriculturists in the country have suggested several steps for sugar sector particularly to increase sugar exports;

(b) if so, the details thereof and the action taken by the Government thereon; and

(c) the action proposed to be taken to boost sugar exports especially to Iraq to barter oil for food?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (S SREENIVASA PRASAD)

(a) Suggestions have been received for improving the viability of the sugar industry including export of sugar.

(b) & (c) : In order to boost export of sugar, Government have taken the following measures:

(i) The sugar meant for export has been exempted from the levy obligation. This exemption, which was initially available for a period of six months, commencing from 1st June, 2000 has been extended upto 31.3.2001.

(ii) It has been decided to treat the quantity exported for commercial exports as advance free sale release to be adjusted after a period of 12 months from the date of release.

(iii) It has also been decided that the levy exemption on the quantity of sugar meant for commercial exports, if it cannot be availed by the sugar factory out of 1999-2000 season`s production due to the completion of its levy obligation the same may be availed by the concerned sugar factory from the production in the 2000-2001 sugar season.

(iv) DEPB at the rate of 5% of the F.O.B. value of exports of sugar has been allowed.

(v) APEDA have waived 5% Performance Bank Guarantee to be furnished by the exports.

All exports to Iraq are permissible under the U.N sponsored `Oil for Food` programme.Contracts for supplies are awarded as per prescribed tendering process. It is not on barter basis for oil but payments to exporters are made through a specially U.N. maintained `Escrow Iraq Account`.